

**FOURTH SUPPLEMENT TO
AMENDED INTERLOCAL AGREEMENT
REGARDING NORTHERN STATE**

THIS FOURTH SUPPLEMENTAL INTERLOCAL AGREEMENT TO THE AMENDED INTERLOCAL AGREEMENT REGARDING NORTHERN STATE (“**Agreement**”) is made and entered into as of this 1st day of December, 2017 (the “**Effective Date**”), by and between the PORT OF SKAGIT COUNTY (“**Port**”), SKAGIT COUNTY (“**County**”) and the CITY OF SEDRO-WOOLLEY (“**City**”) (hereinafter referred to individually each as the “**Party**” and collectively as the “**Parties**”).

RECITALS

A. RCW 39.34.010 envisions that local government will cooperate with the goal of providing services and facilities that meet the needs of the community.

B. RCW 39.34.080 authorizes public agencies to enter into contracts with one another to “perform any governmental service, activity or undertaking which each public agency entering into the contract is authorized by law to perform.”

C. The Port, County, and City entered into an Interlocal Agreement Regarding Northern State effective January 13, 2014, Skagit County Contract #C2140004, which Interlocal Agreement has been Amended and Supplemented by Amended Interlocal Agreement dated February 27, 2015, Skagit County Contract #C20150116, by 1st Supplemental Agreement dated October 26, 2015, Skagit County Amendment #A20150157, by 2nd Supplemental Agreement dated January 19, 2016, Skagit County Amendment #A20160005, and by 3rd Supplemental Agreement dated October 31, 2016, Skagit County Amendment #A20160138 (collectively, the “Amended Agreement”) the purpose of the Interlocal Agreement and its amendment and supplements have been to work collaboratively to establish and then further the Parties’ goals for redevelopment of the Northern State property (herein after referred to as “The SWIFT Center” which stands for ‘Sedro-Woolley Innovation for Tomorrow’ or “the Center”).

D. The Port and Department of Enterprise Services (DES) entered into an Initial North Cascades Gateway Center Development Lease for a portion of the Center property, and a

Shared Services and Collaborative Planning Agreement for the entire Center property, both of which became effective January 1, 2016.

E. The Port has entered into a land Sub-Lease Agreement with Janicki Bioenergy for a portion of the SWIFT Center property effective May 16, 2016 through December 2076.

F. The State currently leases buildings at the Center to two entities providing behavioral health services: Pioneer Human Services which operates a 144 bed treatment facility, and North Sound Behavioral Health which contracts with Telecare to operate a 16 bed evaluation and treatment facility. The presence of these facilities is inconsistent with the economic development of the Center due to (1) the facilities' requirements for confidentiality, privacy and security; and (2) the facilities' current physical buildings, the locations and architecture of which are inconsistent with the historic layout of the campus.

G. In March 2015, Skagit County in collaboration with North Sound Behavioral Health Organization and its member counties initiated a cooperative effort for transition of the above- identified behavioral health services to other locations off the Center property. Skagit County and North Sound Behavioral Health Organization conducted two key reports to prepare for the transitioning of services:

1. North Sound Substance Abuse Residential Treatment Community Need Report
April 2016
2. Transitioning Behavioral Health Services into the North Sound Community Outlining Strengths, Needs, Community Recommendations and Models for Consideration
March 2016

H. The State legislature, by the enactment of Chapter 35, Laws of 2016, 2016 1st Special Session (ESHB 2380) granted the Director of Enterprise Services the authority to transfer the SWIFT Center property to the Port upon the Director's determination that such transfer is appropriate and is in the furtherance of the interest of the State and after consultation with Office of Financial Management. The foregoing legislative authorization states that should legal requirements to provide behavioral health services at locations other than the Center fail to be met, having made diligent efforts to do so, the state may extend the leases with the current behavioral health tenants for the minimum time needed to meet such requirements with due diligence up and until June 30, 2027. In December 2016, DES and the Port reached an agreement to transfer the SWIFT Center property from the State to the Port as early as June 30, 2018, and not later than June 30, 2027.

I. In October 2016, the Parties agreed to move forward with and share some of the fees associated with continued planning and implementation for the transition of behavioral health services off the Center property while supporting a new model for delivery of behavioral health services in the region so as to position the Center for economic development activities and

ensure compliance with the legislative authorization for transfer of the Center property to the Port.

J. Due to the efforts of the Parties, the Port's hired consultant, and North Sound Behavioral Health, the Washington State 2017-19 House Capital Budget included \$17 million dollars (of a total \$32.5 million requested) for development of additional North Sound Behavioral Health Organization facilities to aid in the transition of services off the Center property and in support of a new model for delivery of services in the region. However, a final Capital Budget has not been adopted and likely will not be until the 2018 legislative session. It will likely take work over multiple legislative sessions to secure the total capital funding request.

K. In November 2017, the City's Fruitdale Road Arterial Improvement project was selected to receive funding from the Transportation Improvement Board. This project is expected to be constructed in summer 2018 and will address repairs identified as conditions to development in the Planned Action Environmental Impact Statement prepared for the Center. This project also presents an opportunity for the Port to collaborate with the City and, at Port expense, install fiber optic conduit wholly located within City limits for future Port use while right-of-ways are open. There may also be interest in future installation of fiber optic conduit from the SWIFT Center campus east across the County-owned Northern State Recreation Area to Helmick Road which will be addressed and governed in a separate Interlocal between the Port and the County.

L. One of the Parties' primary goals for the Center, as identified in the Amended Interlocal Agreement, is to: "re-establish public access to Northern State historically significant areas and grounds." To that end the Parties are working, in collaboration with long-term campus tenants and others, to develop a Public Access Plan for the Center Property that will include passive trail connectivity of the current County-owned Northern State Recreation Area to the Center campus.

M. The Parties desire to continue to work together and with North Sound Behavioral Health Organization to support continued planning and implementation of the behavioral health transition off the Center property and support a new model for delivery of services in the region including supporting funding and other State and Federal legislative requests.

The Parties are therefore hereby supplementing the Amended Agreement as set forth herein. The terms of the Amended Agreement are hereby incorporated by reference into this Agreement. All other terms of the Amended Agreement shall remain unchanged, unaltered and in full force and effect; *provided*, that in the event of a conflict between the terms hereof and the Amended Agreement, the terms hereof shall prevail.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and the mutual promises and covenants in this Agreement, the Parties agree as follows:

1. **Parties.** The Parties' roles and responsibilities with respect to this Agreement regarding the SWIFT Center, are as follows:

- a. **Port.** The Port has entered into a 60 year lease with Department of Enterprise Services (DES) for approximately 110 acres of the Center comprised of the Southern Influence Area and Peripheral Open Space. The Port and DES have negotiated an agreement for transfer of ownership to the Port, with transfer anticipated to occur as early as June 30, 2018, and not later than June 30, 2027. The Port will:
 - i. Contract with a consultant to provide government relations and communications support services to the Parties related to the planning and implementation for transition of behavioral health services off the Center and transfer of the Center to the Port, as detailed in the Scope of Work attached hereto as Exhibit "A" and incorporated by reference.
 - ii. Enter into a separate interlocal agreement with the City for the City to bid and contract for installation of conduit for fiber optic cable from McGargile Road to the SWIFT Center entrance (all of which is located within the City) as part of the Fruitdale Road Improvement project; the Port Shall reimburse the City for the cost of said work.
 - iii. If deemed desirable and appropriate, enter into separate agreement(s) with the County for installation of conduit for fiber optic cable from the Center campus east across the Northern State Recreation Area to Helmick Road.
 - iv. Support the County in any funding applications and or state legislative or federal requests related to the transition of behavioral health services off the Center property.
- b. **County.** The County does not presently own, manage, or exercise control over any part of the Center, but does own and manage the adjacent Northern State Recreation Area (NSRA), a portion of which is included in the designated Northern State Hospital Historic District listed on the National Register of Historic Places. The County will:
 - i. Lead, in collaboration with North Sound Behavioral Health Organization and its member counties, a cooperative effort for transition of the above-identified behavioral health services to other locations off the Center property.

- ii. Provide within sixty (60) days of the Effective Date of this Agreement funding to the Port for the communications consultant contract in a total amount of \$24,000, as detailed in Exhibit "B" (attached hereto and incorporated by reference).
 - iii. If deemed desirable and appropriate, enter into separate agreement(s) with the Port for installation of conduit for fiber optic cable from the Center campus east across the Northern State Recreation Area to Helmick Road.
 - iv. As determined to be necessary by the County, update the Skagit County Parks Comprehensive Plan for the Northern State Recreation Area to include passive trail recreation connectivity to the Center campus. Such update shall occur in the ordinary course of business.
- c. **City.** The City does not presently own or manage any portion of the Center, but the Center is now within the city limits of the City, following approval of annexation by the City Council on September 9, 2015. The City will:
- i. Support the County in any funding applications or state legislative or federal requests related to the transition of behavioral health services off the Center.
 - ii. Enter into a separate interlocal agreement with the Port for the City to bid and contract for installation of conduit for fiber optic cable from McGargile Road to the SWIFT Center entrance (all of which is located within the City) as part of the Fruitdale Road Improvement project; the Port shall reimburse the City for the cost of said work.

2. **Assumptions.** In entering into this Agreement the Parties recognize the following collective assumptions which serve as a framework for this Agreement:

- a. The Parties will each be individually responsible for compliance with any reporting requirements associated with lobbying activities.
- b. The Parties will share in the expenses arising from this Agreement, including consultant and professional fees and costs, as set forth in Exhibit "B", or as otherwise agreed by the Parties by duly authorized and executed subsequent written agreement (or amendment to this Agreement).

3. **Term and Termination.** This Agreement takes effect upon execution of this Agreement by the Parties and continues through December 31, 2027, unless sooner terminated pursuant to the terms herein. Thereafter, this Agreement will automatically extend for additional terms of one (1) year each, unless two Parties provide notice to the other Parties of their intent to withdraw from the Agreement no later than sixty (60) days prior to the end of the then-current term. The initial term and each subsequent term are subject to earlier termination by any two Parties, at any time with or without cause, upon providing forty-five (45) days' notice to the other Party(ies). In the event that this Agreement is so terminated, the Parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination. Should only one party withdraw from this Agreement, the Agreement will remain in effect for the remaining two parties unless and until one of the remaining parties withdraws or the Agreement is terminated as provided herein.

4. **Budget; Funding.** The Parties have established a budget for the work identified in this Agreement. The cost sharing schedule for the work identified in this Agreement is attached as Exhibit "B" and incorporated by reference. Any costs incurred by any Party on behalf of the Parties, including but not limited to, the cost of carrying out the activities described in this Agreement in excess of the amounts detailed in Exhibit "B" must be approved by the Parties in advance and shall be allocated among the Parties on the basis of a methodology agreed upon by the Parties pursuant to the terms of a duly authorized and executed subsequent written agreement (or amendment to this Agreement).

5. **Schedule.** The Parties have established a schedule for the work identified in this Agreement which schedule is attached as Exhibit "C", attached hereto and incorporated by reference.

IN WITNESS WHEREOF, the Parties hereby execute this Agreement as of the Effective Date set forth above.

PORT OF SKAGIT



Patsy Martin, Executive Director

Date 1/3/18

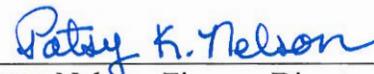
CITY OF SEDRO-WOOLLEY

By: 

~~Keith Wagoner, Mayor~~
Julia Johnson, Mayor

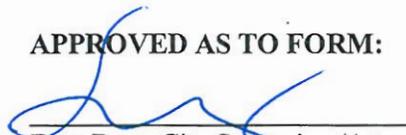
Date 1/11/18

ATTEST



Patsy Nelson, Finance Director

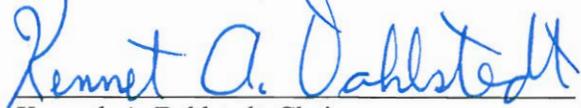
APPROVED AS TO FORM:



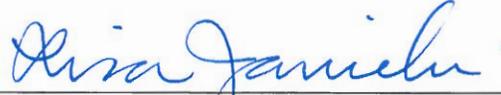
Eron Berg, City Supervisor/Attorney

Dated this 29 day of January, 2018

**BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**



Kenneth A. Dahlstedt, Chair



Lisa Janicki, Commissioner

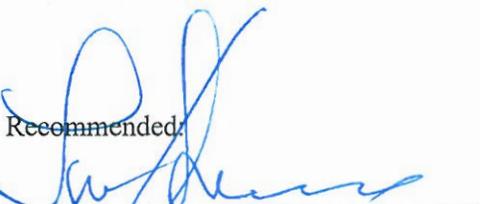


Ron Wesen, Commissioner

Attest:


Clerk of the Board

For contracts under \$5,000:
Authorization per Resolution R20030146

Recommended:

Department Head

County Administrator

Approved as to form:


Civil Deputy Prosecuting Attorney

Approved as to indemnification:


Risk Manager

Approved as to budget:

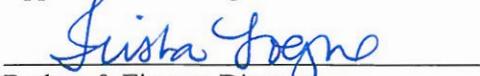

Budget & Finance Director

EXHIBIT "A"

COMMUNICATIONS CONSULTANT SCOPE OF WORK AND FEE SCHEDULE Government Relations and Communications

SCOPE OF WORK

Task 1: Communications and Strategic Counsel

Consultant will work with and provide strategic advice to the Port of Skagit, and when directed by the Port, to its community partners, on:

- Continuing to support messaging that will engage the community, the Legislature, the Governor's Office, and other important audiences, and that will build positive momentum for funding additional behavioral health facilities in the BHO's five-county area and that will further the redevelopment of the former Northern State Hospital site. The target is up to four additional facilities for \$17 million, as identified by the BHO's overall plan for additional facilities.

Task 2: Government Relations

Consultant will work with and provide strategic advice to the Port of Skagit and, when directed by the Port, its community partners, on:

- Identifying paths to secure funding in the supplemental Capital Budget for the building or remodeling of additional new behavioral health facilities in the 2018 Legislative session.
- Represent the Port and partners with the appropriate state legislators who will be involved in this effort and who can help achieve the overall goals, and maintain communications and relationships with them through the process.
- Providing tours or other informational opportunities to appropriate legislators and other public-sector officials who are important to accomplishing the key steps to building new behavioral health facilities.
- Represent the Port and partners with the Governor's Office.
- Stay on top of legislative and other discussions about this effort with legislators and other interested parties in Olympia and elsewhere, and promptly communicate to the Port and partners any developments and on-going discussions regarding the supplemental Capital Budget request and related topics with legislators and other state officials.

FEE SCHEDULE

Consultant services will be billed monthly on a Fixed Fee Basis, not to exceed \$24,000.

EXHIBIT "B"

COST SHARING SCHEDULE

The Parties shall be responsible for the cost of the government relations and communications support in total amounts not to exceed as follows:

	Government Relations & Communications Support
Port	\$0
County	\$24,000
City	\$0

EXHIBIT "C"
TIME SCHEDULE

December 2017	Contract in place with consultant effective December 2017 through May 2018.	Port
Ongoing	Develop policy and any associated legislative request for support of transition of behavioral health services.	County